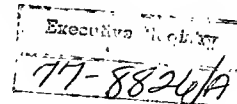


Washington, D. C. 20505



1 September 1977

MEMORANDUM FOR: The Honorable Zbigniew Brzezinski  
Assistant to the President for  
National Security Affairs

SUBJECT : NSC Staff Inter-Agency Study, Military Sales  
to Yugoslavia

REFERENCE : Memo from NSC/Staff Secretary dated August 23, 1977,  
Same Subject

1. We have no further substantive comments on this paper.
2. The Intelligence Community will have an interest in evaluating potential damaging technology leakage in connection with specific sales requests before interagency approval mechanisms under whichever general option the policy agencies select.

  
STANSFIELD TURNER

(EXECUTIVE REGISTRY FILE Y-2)

25X

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

30 August 1977

MEMORANDUM FOR: Director of Central Intelligence

FROM : Robert R. Bowie  
Deputy to the DCI for National Intelligence

SUBJECT : Your Comments for the NSC Staff Inter-Agency Study,  
Military Sales to Yugoslavia

1. Action Requested: That you respond to the NSC Staff's requirement for comment by COB 31 August on the final draft of inter-agency study on Military Sales to Yugoslavia.

2. Background: We have no further substantive comments on this final draft.

3. The NSC Staff also requests that principals clearly indicate which policy option they and their agencies favor. The options are:

- (1)-- Curtail the relationship.
- (2)-- Maintain the status quo.
- (3)-- Expand the relationship moderately, with emphasis on political impact.
- (4)-- Expand the relationship substantially, with emphasis on force modernization and improvement.

(For all practical purposes, the choice of policy agencies will lie between 2 and 3.)

4. While you are not required to indicate a policy option preference per se, there is a general intelligence issue -- namely potential damaging technology leakage to the Soviets/Warsaw Pact -- that will attach in varying degrees to any option selected. This issue is sensibly addressed under "Problems" on page 5.

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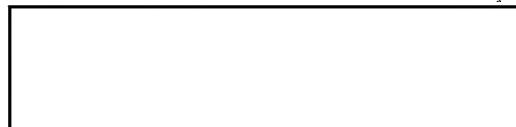
5. CIA, as well as DOD, will of course be involved through existing interagency mechanisms in policing the potential technology leakage aspect of requests for approval to sell specific military items as these may come up under whichever policy option the Administration selects. You should be aware that this process is not absolute proof against any and all potentially damaging technology leakage. With respect to commercially available items, for example, technology leakage could occur via preliminary contact of Yugoslav representatives with US firms before the US Government sales approval process. Once into the approval process, of course, ruling on specific items becomes a matter of weighing the impact on US political and strategic equities vis-a-vis Yugoslavia against any potential technology leakage or other negative security aspect.

6. Staff Position: This study has been thoroughly staffed out and prepared. CIA/OSR provided data for the study and revisions and updates to earlier drafts. Your NIOs for the USSR-EE, Conventional Forces and Economics have each reviewed this and earlier drafts.

7. Action Recommended:

--That you tell the NSC Staff that we have no further substantive comments on the paper;

--That you note that you and CIA will have an intelligence interest in evaluating potential damaging technology leakage in connection with specific sales requests before interagency approval mechanisms under whichever general option the policy agencies select.



Robert R. Bowie

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30 August 1977

MEMORANDUM FOR: Director of Central Intelligence

FROM : Robert R. Bowie  
D/DCI/NI

SUBJECT : Your Comments for the NSC Staff Inter-Agency Study,  
Military Sales to Yugoslavia

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